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To:
Occupational Pensions Stakeholder Group (OPSG)
Actuarial Association of Europe (AAE)
European Association of Paritarian Institutions (AEIP)
PensionsEurope

EIOPA-RFSD/19-008
30 January 2019

Informal Consultation on 2019 IORP Stress Test package

Dear Sir or Madam,

We herewith invite you to participate in the informal consultation for the draft 2019 IORP stress test specifications.

In line with previous exercises, the 2019 IORP stress test will again constitute a European-wide exercise, including all countries in the EEA with material IORP sectors and covering both DB and DC schemes. The main objectives of the stress test are to assess the resilience and vulnerabilities of IORPs and its members or beneficiaries to an adverse market scenario and potential transmission mechanisms towards the real economy and financial markets.

As discussed with you in our meeting on 15 November 2018, we want to bring to your attention the additional and amended elements of the 2019 IORP stress test (compared to the 2015 and 2017 exercises) and the suggested solutions for the:

- Horizontal assessment: investment behaviour and exposures to ESG risks
- Enriched cash flow analysis for the DB part

EIOPA acknowledges the importance of providing a stress test package that is proportionate in nature and minimises the burden on participating IORPs, whilst ensuring a relevant exercise. We are confident that your technical feedback will further enhance the practicability and quality of the stress test package.

The informal consultation package for the 2019 IORP stress test consists of:

- Draft IORP Stress Test 2019 Specifications;
- Draft Annex with Technical Specifications for the Common Balance Sheet;
- Draft Questionnaire for DB/hybrid schemes/IORPs;
- Draft Questionnaire for DC schemes/IORPs;

- Draft Reporting Spreadsheet for DB/hybrid schemes/IORPs;
- Draft Questionnaire on investment behaviour;
- Draft Questionnaire on ESG

Please be advised that the 2017 DC spreadsheet tool and the 2017 Helper Spreadsheet for DB/hybrid IORPs to value sponsor support and pension protection schemes will be used again, surely updated for current inputs, for example risk-free rate curves etc., and accordingly do not form part of this informal consultation.

The adverse market scenario is currently being developed in cooperation with the ESRB. Consequently, the draft stress test specifications do not contain the numerical stress levels in the adverse market scenario and the informal consultation package does not include, for example, the (stressed) interest rate/inflation curves and the government/corporate bond stresses.

We value your technical feedback and practical comments to enhance the clarity and practicability of the specifications, questionnaires and spreadsheets and so to identify potential inconsistencies, errors and mistakes.

We would be grateful if you could send your written feedback to Ms Sandra Hack (sandra.hack@eiopa.europa.eu) by Thursday, 21 February 2019 using the accompanying comment template for comments. We look forward to continuing our cooperation.

Yours sincerely,



Dimitris Zafeiris